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C O N F I D E N T I A L KUWAIT 000651

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STATE FOR NEA/ARPI

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TAGS: [EAID](#) [ECON](#) [KU](#) [IZ](#) [KUWAIT](#) [IRAO](#) [RELATIONS](#) [NATIONAL](#) [ASSEMBLY](#)

SUBJECT: KUWAIT NATIONAL ASSEMBLY MEMBERS AGREE WITH GOK ON IRAQI DEBT RELIEF

REF: A. KUWAIT 0326

[B.](#) 2004 KUWAIT 4081

Classified By: Ambassador Richard LeBaron for reason 1.4 (d)

**¶1.** (C) Summary and Comment: During January and February, Ambassador met with five prominent MPs and discussed Iraqi debt relief. Most of the MPs were supportive of the GOK's efforts to offer comparable treatment to the Paris Club decision to forgive 80% of Iraqi debts, but voiced a need to show their constituents that any debt relief was in line with international efforts. They, and other post contacts, have made clear though that UNCC payments are not up for discussion and that Kuwait would only consider forgiving pre-Gulf War Iraqi debt. Comment: The GOK is waiting for formation of the Iraqi government in order to engage in debt discussions. Forgiveness of Iraqi debt is not popular here, thus the expressed need to wrap Kuwait's efforts into an international context -- the Paris Club terms. End Summary and Comment.

Iraqi Debt Relief: MPs Agree - But Stay Away from UNCC!

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**¶2.** (C) The MPs were all in agreement that providing comparable treatment to the Paris Club's planned 80% debt reduction for Iraq was the right thing to do, as long as it was in line with international agreements. At the same time, some of them placed specific conditions on the debt, and post has heard loud and clear from these MPs and others that any debt forgiveness for Iraq would only involve pre-Gulf War debt and that a reduction or forgiveness of United Nations Compensation Committee payments from Iraq's invasion of Kuwait was not up for discussion (Ref B). The Ambassador explained to each MP that the USG was forgiving 100% of its Iraqi debt and asked the MPs to support the GOK's plan to go along with the 80% Paris Club reduction. MP Al-Haroun said "at the end of the day, we will support the government." MP Al-Roumi said it was "not a problem," but wanted to "link forgiving debts to a legitimacy of (Kuwait's) borders." "How can we forgive the debt," he asked, "when we still have border problems?" MP Al-Zalzalah said that Kuwait would not forgive Iraq debt independently, but that Kuwait would not "single ourselves out of it" if it is an international decision. "Iraq does need our help," he admitted, but added that the MPs needed to "convince the average Kuwaiti because some want the benefits for themselves."

**¶3.** (C) Al-Sane also did not oppose debt relief if it was in line with Paris Club reductions and pointed out that he had made a public statement on Al-Jazeera in support of reducing Iraq's debt. Al-Sane also suggested that the GOK consider reducing Kuwaitis' personal debts if it is going to reduce Iraq's debts but admitted that the government's failure to offer Kuwaitis debt leniency would not be a deal-breaker (Ref A). MP Al-Saadoun said that he did not think Kuwait would "depart from agreements made in the international community" concerning debt relief, but was adamantly against any reduction or elimination of the UNCC reparation payments. "There is a unified Kuwaiti position" on those payments, and he said that he and other MPs would "stress to the GOK to adopt a firm position to keep these compensations." "They are not meant to be against the Iraqi people," he added, "but Kuwait has borne much. We hope the international community will support this." The Ambassador said that the U.S. has always been the strongest supporter for the compensation issues but that forgiveness of debt is key to helping the Iraqi economy and he hoped the MPs would be supportive.

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LEBARON